



Department of Defense DIRECTIVE

NUMBER 7200.1

May 4, 1995

USD(C)

SUBJECT: Administrative Control of Appropriations

- References: (a) DoD Directive 7200.1, subject as above, May 7, 1984 (hereby canceled)
- (b) Section 1514 of title 31, United States Code
 - (c) Section 1342 and Subsections 1341(a) and 1517(a) of title 31, United States Code
 - (d) DoD 7000.14-R, "Department of Defense Financial Management Regulation," authorized by DoD Instruction 7000.14, November 25, 1992
 - (e) Public Law 95-452, Inspector General Act of 1978, as amended

1. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to update policy and assign responsibilities.

2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Inspector General of the Department of Defense, the Uniformed Services University of the Health Sciences (USUHS), the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components").

3. DEFINITIONS

3.1. Financial Management Systems. The DoD Financial Management System consists of a triad architecture. The three segments of the triad are as follows:

Planning, Programing, and Budgeting System; Army, Navy, Air Force, and Defense Agency accounting systems; and all other systems that provide financial information to management.

3.2. Major Command. A designated command in the Military Departments that serves as the headquarters for subordinate commands or installations that have the same or related missions.

3.3. Antideficiency Act Violation. An Antideficiency Act violation occurs when obligations in excess of amounts available are authorized or created; funds in excess of amounts available are disbursed; obligations or disbursements that exceed statutory or regulatory limitations on amounts of an appropriation that may be used for a particular purpose are made, obligations are authorized or created in advance of funds being available, or voluntary services are accepted, or personal services are employed, in excess of that authorized by law.

4. POLICY

It is DoD policy that:

4.1. Each DoD Component shall establish positive control of, and maintain adequate systems of accounting for, appropriations and other available funds as required by Section 1514 of 31 U.S.C. (reference (b)).

4.2. Financial management systems shall provide a capability for the cognizant official to be assured of the availability of funds before incurring an obligation or making a payment.

4.3. Financial management systems shall provide necessary information for establishing responsibility if a violation of Section 1342 and Subsections 1341(a) and 1517(a) of 31 U.S.C. (reference (c)) occurs, and for the reporting of such a violation.

4.4. Investigations of actual and apparent violations of reference (c) shall be conducted expeditiously by trained investigating officers as defined in the DoD Financial Management Regulation (DoD 7000.14-R) (reference (d)). Investigating officers shall be appointed from an organization outside the organization being investigated and shall submit written reports on their findings and recommendations.

4.5. An officer or employee determined to be responsible for a violation shall be subject to appropriate administrative discipline. In addition, an officer or employee

convicted of committing a violation knowingly and willfully may be subject to criminal penalties. Examples of administrative discipline for civilian personnel may include admonishment, reprimand, suspension from duty without pay, or removal from office. Military personnel shall be subject to appropriate administrative discipline and may be subject to action under the Uniform Code of Military Justice.

4.6. Investigations of, and reports on, actual or apparent violations under reference (c) that are conducted by the Inspector General, DoD; Army Audit Agency; Naval Audit Service; or Air Force Audit Agency at the request of the Secretary of Defense, Deputy Secretary of Defense, Under Secretary of Defense (Comptroller) (USD(C)), or Head of a DoD Component, or designee, shall constitute the official DoD investigation and report. A request by the Secretary or Deputy Secretary of Defense, or USD(C) for an investigation takes precedence over a similar request by the Head of a DoD Component, or designee.

5. RESPONSIBILITIES

5.1. The Under Secretary of Defense (Comptroller) shall:

5.1.1. Direct the DoD Components to conduct such investigations of potential or actual violations under Section 1342 and Subsections 1341(a) and 1517(a) of 31 U.S.C. (reference (c)) that are appropriate and warranted under the circumstances.

5.1.2. Establish minimum training requirements, and other qualifications, for personnel that may be appointed to conduct an investigation(s) of potential or actual violations under reference (c).

5.1.3. Ensure that training is available for individuals that may be appointed to investigate potential violations under reference (c).

5.1.4. Review, or make, the appointment of an individual, or designate an organization, to conduct an investigation(s) of a potential or actual violation under reference (c) or provide for an investigation under his or her supervision, under such circumstances as determined by the USD(C) to warrant such involvement.

5.1.5. Establish guidelines about the timeframes for the completion of an investigation of a potential or actual violation under reference (c), as well as for the submission of required reports.

5.1.6. Require periodic reports on the status of investigations in process for

potential and actual violations under reference (c) and prescribe the frequency, content, format, and other requirements for the submission of such reports.

5.1.7. Prescribe the content, format, and other requirements for the submission of final reports on violations under reference (c).

5.1.8. Review and approve all reports of violations prepared by the DoD Components before the submission of the report to the Secretary of Defense, or designee, as well as to the President; the Director, Office of Management and Budget; and to the Congress.

5.1.9. Prescribe such additional policies and procedures for conducting investigations of, and administering, processing, and reporting on, potential and actual violations of reference (c).

5.1.10. Review and, when warranted, take follow-up action on annual evaluations performed by the DoD Components regarding the overall administration and processing of violations in their Component as well as internal controls over their appropriations and funds.

5.1.11. Implement the policies in section 4., above, and the procedures in Volume 14, DoD 7000.14-R (reference (d)).

5.2. The Heads of the DoD Components shall:

5.2.1. Investigate all apparent violations under reference (c), as well as any other potential violation for which an investigation is requested by the USD(C), or designee to determine whether a violation exists. If so, (1) determine responsibility and culpability, (2) identify the cause(s), (3) take corrective action, (4) ensure appropriate disciplinary action is taken against those persons found to be responsible, and (5) report such violations.

5.2.2. Ensure that a roster of individuals qualified to perform the duties and responsibilities of an investigating officer is established and maintained for use by the appointing officials. Individuals whose names are on the roster must be adequately trained and otherwise qualified, as prescribed by the USD(C).

5.2.3. Ensure that individuals appointed to investigate a potential violation of Section 1342 and Subsections 1341(a) and 1517(a) of 31 U.S.C. (reference (c)) are:

5.2.3.1. Chosen by the commander of a major command or a higher

headquarters.

5.2.3.2. Appointed from an organization outside the organization being investigated.

5.2.3.3. Chosen from a roster of qualified personnel (see paragraph 5.2.2., above).

5.2.4. Ensure that the investigating officer is appointed by, or the appointment is reviewed by, the Assistant Secretary of a Military Department for Financial Management, the Vice-President for Resource Management at the USUHS, or the Comptroller (or equivalent) of a Defense Agency or a DoD Field Activity when a potential violation is of special interest to the DoD Component Head, is requested by the USD(C) or is otherwise determined to be warranted under the circumstances.

5.2.5. Ensure that timeframes established by the USD(C) for conducting an investigation of a potential violation under reference (c), as well as timeframes for processing and reporting on such violations are followed.

5.2.6. Grant, on a case-by-case basis, exceptions to timeframes established by the USD(C). (For a Military Department, that responsibility may be delegated to the Assistant Secretary for Financial Management, and no other. For the USUHS, that responsibility may be delegated to the Vice-President for Resources, and for the Defense Agencies and DoD Field Activities, that responsibility may be delegated to the Comptroller or the equivalent, and no other.)

5.2.7. Ensure that reports of investigations and reports of potential violations under reference (c) are as follows:

5.2.7.1. Prepared in accordance with policies and procedures prescribed by the USD(C).

5.2.7.2. Forwarded directly to the official that appointed the investigating officer.

5.2.7.3. Reviewed and approved by the Assistant Secretary of a Military Department for Financial Management, the Vice-President for Resource Management at the USUHS, or the Comptroller of a Defense Agency or DoD Field Activity.

5.2.8. Ensure that an annual evaluation is made of the overall administration and processing of violations in their Component, as well as an evaluation of the

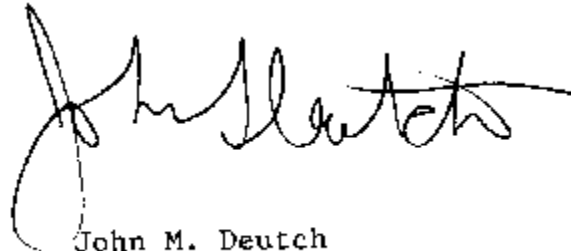
Component's internal control of appropriations and funds. Provide a copy of the results of that evaluation to the USD(C).

5.2.9. Ensure compliance with this Directive and implementing policies and procedures in Volume 14 of the DoD Financial Management Regulation (reference (d)).

5.3. The Inspector General (IG), DoD, under the authority provided in the Inspector General Act of 1978 (reference (e)), may investigate and report on, any apparent or actual violations under reference (c).

6. EFFECTIVE DATE

This Directive is effective immediately.

A handwritten signature in black ink, appearing to read "John M. Deutch". The signature is fluid and cursive, with a large initial "J" and "M".

John M. Deutch
Deputy Secretary of Defense